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Annual Report

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April 1, 1998 to March 31, 1999

BRITISH COLUMBIA

Ministry of Finance and
Corporate Relations

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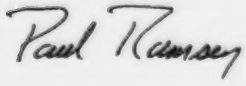
Transmittal Letters

The Honourable Garde B. Gardom, Q.C.
Lieutenant-Governor of British Columbia

I have the honour of submitting the Annual Report of the Ministry of Finance and Corporate Relations.

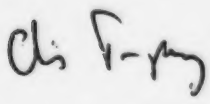
This report details ministry activities from April 1, 1998 to March 31, 1999, and is an accurate account of achievements during that time.



Paul Ramsey
Minister of Finance
and Corporate Relations

Minister:

I am pleased to submit the 1998/99 Annual Report of the Ministry of Finance and Corporate Relations.



Chris Trumpy
Deputy Minister

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Corporate Mission

Our mission is to continuously improve our leadership, products, planning and services so that we consistently offer the public and our clients sound management and advice.

Corporate Objectives

The ministry's primary objective is to serve the public interest through the minister and Treasury Board by:

- effectively managing public funds;
- promoting prosperity and well-being through sound advice on investment, tax, budgetary debt, financial and corporate legislation, labour management and other public policy issues;
- ensuring the fair and effective governance of the provincial financial marketplace through regulation and direct service to provincial businesses and financial institutions; and
- supporting government programs through action and advice on financial, management and personnel matters, and collection, analysis and dissemination of reliable financial and economic information.

Corporate Principles

We use the following principles to guide the ministry's actions:

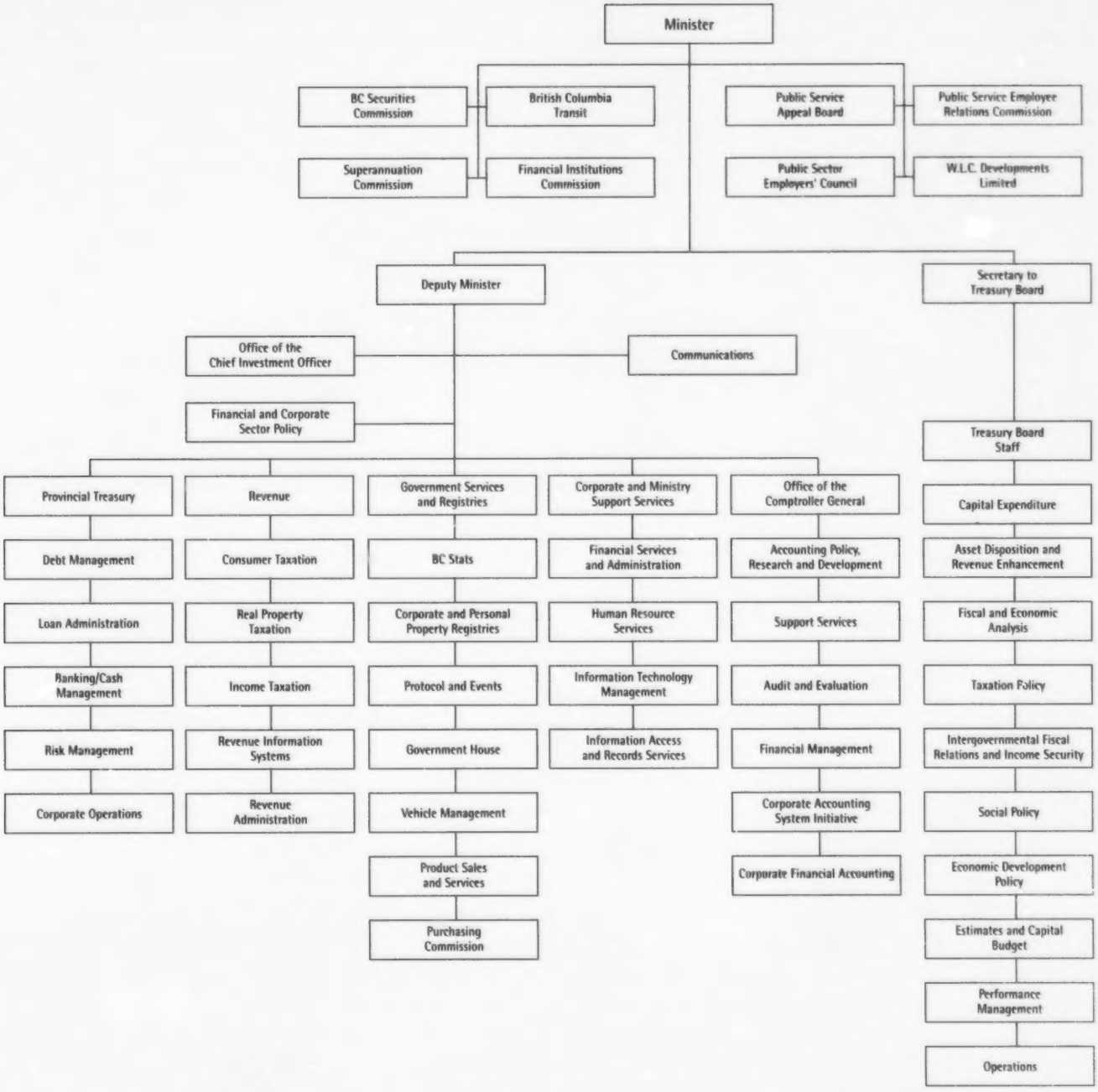
- affordable government through effective management
- sound and deliberate planning
- internal and external partnerships of mutual benefit
- accountability for the use of public resources
- clear and open communication
- teamwork to enhance productivity and client service
- empowerment to make decisions within one's realm of responsibility
- supportive staff development to increase staff ability and contribution
- ongoing evaluation of performance and results

Corporate Values

All members of the Ministry of Finance and Corporate Relations share the following values:

- Service - Client needs guide us.
- Quality - We are committed to continuous improvement.
- Mutual trust - We act to earn confidence.
- Integrity - Our actions are ethical.
- Dedication - We go the extra distance.
- Innovation - We look for better ways.

Organization



Message from the Minister

Paul Ramsey

Minister of Finance and Corporate Relations

It is my pleasure to present the Ministry of Finance and Corporate Relations' 1998/99 Annual Report. This report highlights the ministry's significant accomplishments during the past year, and outlines our goals for 1999/2000.

The Ministry of Finance and Corporate Relations supports many of government's top priorities, including job creation and economic growth, fair taxation for B.C. families and businesses and the sound management of taxpayers' dollars. To meet these priorities, the ministry was a leader in directing government's three-year economic plan, introduced in the 1998 budget and designed to help make B.C. more competitive, attract investment and create jobs.

B.C.'s economy has changed dramatically over the past 20 years. Dynamic new economic sectors, including high-tech and knowledge-based industries and film and TV production, are growing rapidly. At the same time, B.C.'s traditional industries, including forestry, fishing, mining, and oil and gas, continue to dominate the province's economy.

Among the accomplishments of the ministry this year was the creation of the business task force in May 1998, to advise government on reducing the cost of doing business and cutting red tape in B.C. The task force has provided business, labour and local government with an important voice in government decision-making. The task force recommended legislative changes this year that streamlined filing and registration requirements, eliminated duplication and increased public access to one-stop business registration centres.

Over the past year, this ministry has also made important changes to bring greater transparency and openness to the budget process and the reporting of fiscal results and forecasts, and this work will continue in the year ahead. I encourage all British Columbians to become informed and share their views on the budget process in the months and weeks to come.

B.C.'s most important strength continues to be in its people. To build on that strength, the government has increased spending and support for health, education and social services, reflecting the priorities of average British Columbians. The choices we have made as a government are the choices that clearly benefit ordinary people and their communities.

Paul Ramsey

Paul Ramsey
Minister of Finance and Corporate Relations

Message from the Deputy Minister and Secretary to Treasury Board

Chris Trumpy

Deputy Minister
Secretary to
Treasury Board

This report provides an overview of the Ministry of Finance and Corporate Relations' work between April 1, 1998, and March 31, 1999. During this period, the ministry has continued to maximize revenues and support government's priorities, while evolving and adapting to the changing demands of B.C.'s dynamic and varied economy.

The ministry's goals are developed early in the fiscal year when executive management meets to review the ministry's strategic vision and how it is supported by ministry activities. Our vision – to excel at everything we do – is reflected in the ministry's efforts to serve the business operations of the diverse ministries and organizations of the B.C. government. It also helps us deal with internal structural, personnel and related issues.

It is the responsibility of government to ensure that the budget, as a public document, is prepared in accordance with sound financial reporting standards and in an open manner. In 1998/99, auditor general George Morfitt made recommendations for improvements to the budget-making process. The ministry's efforts to increase openness and transparency in the estimates process have already begun and will continue over the coming year.

This ministry's role requires a long-term understanding of government-wide policy concerns and demands, like the unprecedented Y2K compliance issue. We have responded by thoroughly testing our computer systems and developing contingency plans to ensure that we are able to continue to provide services to other ministries and the citizens of B.C.

As leaders of the ministry's executive, we have responded to these demands by incorporating new corporate accountability measures into our everyday activities. This report reflects these measures by providing a clear description of each division's performance targets for the year, their progress in meeting those goals and their targets for 1999/2000.

The information in this report reflects a legacy of which we are proud. Together with our dedicated staff, we have applied ourselves to the unique demands of serving the people of B.C. in 1998/99.

Chris Trumpy
Deputy Minister
Secretary to Treasury Board

Budgets and Employees by Branch / Division

Branch / Division	Budget	Employees
Treasury Board Staff	$7,583,000	90
Provincial Treasury	$15,076,000	158
Office of the Chief Investment Officer	$6,903,000	50
Government Services and Registries		
- Government Services	$8,838,000	86
- Product Sales and Services	$95,525,000	393
- Registries	$8,392,000	118
Revenue Division	$ 280,841,000	505
Office of the Comptroller General	$17,243,000	140
Corporate and Ministry Support Services	$14,000,000	169
Financial and Corporate Sector Policy Branch	$881,000	11
Capital Division	$4,420,000	50
Communications Branch	$ 987,000	10
Co-ordination of Agencies, Boards and Commissions	$387,000	5
Superannuation Commission	$30,396,000	266
Public Sector Employers' Council	$3,268,000	18
Public Service Appeal Board	$330,000	3

1998/99 Highlights

Efforts to reduce unnecessary regulation and red tape for business and to reach public-sector and -service collective agreements were among the ministry's major achievements for 1998/99:

- Eighty-five per cent of approximately 635 collective agreements representing about 300,000 public-sector and -service employees expired during 1998/99. Collective agreements were reached for more than 75 per cent of these employees.

- The Public Service Employee Relations Commission (PSERC) finalized new master and component agreements with the B.C. Government and Service Employees' Union and the Professional Employees Association without work stoppage or other strike action.

- PSEC Secretariat exceeded its public-sector youth employment program goals by more than 50 per cent, placing 326 in jobs in public-sector organizations.

- PSERC's employee recognition program awarded employees responsible for developing improvements to government services that produced net annual benefits (cost savings, revenue, and productivity gains) of $13 million.

- Financial and corporate sector policy developed a new plain-language *Strata Property Act* to replace the *Condominium Act*, to provide more flexible and balanced rules of corporate governance and strata property development and to respond to recommendations of the Barrett Commission regarding "leaky condos."

- Revenue division improved the new vendor registration process to assign numbers within 24 hours for 13,000 new businesses and continued to integrate the one-stop business registration pilot for multi-program registration of new business into the new vendor registration process.

- The corporate and personal property registries completed projects to enable manufacturers to register new homes on the manufactured home registry from their production plant through on-line registry services and to enable the public to obtain ownership, location and lien information on manufactured homes through a single search.

- Revenue division established a joint tobacco tax prosecution program with Canada customs and revenue agency, seized contraband tobacco and assessed untaxed tobacco brought into the province (132,000 cartons seized and $2.9 million in assessments).

- The purchasing commission co-ordinated implementation of government's new vehicle management framework. Over 4,400 vehicles are now leased from PHH vehicle management services, and PHH provides fleet services to over 8,000 vehicles operated by more than 65 organizations, including ministries, community health boards and Crown corporations.

Treasury Board Staff

Treasury Board staff (TBS) is responsible for developing and reviewing the government's economic, social, fiscal and taxation policies. TBS counsels Treasury Board (the Cabinet committee responsible for budget and management matters) and the Minister of Finance and Corporate Relations on these matters.

TBS develops the provincial budget under the direction of Treasury Board, provides forecasts of the British Columbia economy and government's financial situation, reviews requests to Treasury Board for additional ministry and program funding, monitors the status of the budget and, when necessary, recommends alternative fiscal management strategies.

TBS also provides analysis and advice on intergovernmental affairs between the provincial government, the federal government and municipalities, and represents the government on a number of public-sector pension boards.

Achievement of Performance Targets 1998/99

Target: To provide sound and timely advice and support to Treasury Board.

Progress:

- Developed and produced the *Estimates* and *Budget Reports* documents.
- Implemented changes in the 1999/2000 *Estimates* that reflect the government's accounting policy change concerning capitalization of ministry assets.
- Implemented Treasury Board's budgetary decisions by allocating financial resources among ministries and special offices.
- Conducted economic and financial analysis (including treaty negotiations) in support of government's strategic priorities.
- Developed social and economic development policy alternatives for Treasury Board and cabinet consideration.
- Developed and evaluated tax policy options to meet the government's fiscal, equity and economic development objectives.
- Reviewed 368 submissions from government ministries, ranging from reallocating funding between programs to requesting additional funds for new programs not included in ministry budgets.
- Hosted the annual economic outlook conference with the minister and economic experts in February 1999. Eighteen participants tabled forecasts for the economy.
- Supported the fee and licence advisory committee, a sub-committee of Treasury Board, which reviews submissions proposing fee and licence changes.

- Prepared quarterly reports, economic forecasts and the *1998 British Columbia Financial and Economic Review* and assisted in producing the province's annual *Debt Statistics Report.*

Target: To improve operational efficiency and effectiveness.

Progress:

- Established a new program review branch in July 1998, incorporating functions of the former performance management branch.
- Worked with ministries to implement the principles of performance measurement and accountability across government.
- Participated in numerous program reviews and evaluations designed to help government identify ways to reduce costs and improve service delivery to the public.
- Developed and delivered training workshops for government managers that improved their ability to report on program outcomes and accountability.

Target: To represent the provincial government in an effective manner on a variety of provincial and intergovernmental policy development groups.

Progress:

- Provided ongoing analysis of federal funding for provincial programs and provided the minister with financial analysis on how other provincial governments and the federal government are addressing fiscal issues.
- Provided research support for the minister for various finance ministers' meetings and for the premier at the Western Premiers' Conference and the Annual Premiers' Conference.
- Represented British Columbia on several federal-provincial policy and technical committees that examine tax policy and changing fiscal arrangements between levels of government.
- Played a lead role in the provincial-territorial group formed to help bring about a provincial-territorial consensus on improvements to federal transfers to provinces.
- Played a lead role in pension governance reform for the B.C. family of pension plans, including negotiations leading to development of the *Public Sector Pension Plans Act.*
- Participated in developing strategies to assist the mining, oil and gas and high tech sectors.
- Played a lead role in the reform of governance arrangements for B.C.'s four statutory pension plans.

Note: At the end of the 1998/99 fiscal year, the intergovernmental fiscal relations and income security branch was transferred from Treasury Board staff and will subsequently report to the deputy minister of finance and corporate relations.

Performance Targets for 1999-2000

- Provide advice on economic and fiscal trends and forecasts, supported by accessible and timely public reports.
- Offer well-researched and timely advice on the effect of tax policy options and changes.
- Provide timely and objective financial and policy advice to Treasury Board and other Cabinet committees on all budgetary matters.
- Conduct program reviews for use by Treasury Board, ministries and other agencies, to support the development of effective and efficient management of publicly funded programs.
- Produce timely *Estimates* and other budget documents, while ensuring continual improvements in the design and structure of these reports.
- Employ excellent operational, administrative and personnel policies and practices.

Capital Division

Established in April 1998, the Capital Division is responsible for recommending to Treasury Board and cabinet overall policies and priorities in the preparation and delivery of the province's annual capital program. This program includes expenditures on social capital projects (e.g., universities, hospitals and courts) and taxpayer-supported Crown corporations and agencies (e.g., BC Transit). This division is also directly responsible for overseeing the implementation of all social capital projects.

Target: To provide sound and timely advice to Treasury Board so as to balance the demand for capital with the need for fiscal prudence and responsible debt management.

Progress:

- Provided advice on agency annual capital budget submissions in light of government's strategic priorities and prepared the 1999/00 consolidated capital plan.
- Reviewed 46 completion approval requests for major social capital projects and over 30 submissions from social capital ministries and Crown corporations, including requests for new capital projects or project scope changes.
- Monitored the status of capital spending and, when necessary, recommended alternative fiscal management strategies.
- Provided capital spending information for Ministry of Finance and Corporate Relations' reports (e.g., quarterly reports and the *1998 British Columbia Financial and Economic Review*).
- Examined a seismic mitigation strategy for provincial public buildings.

Target: To streamline capital-related administrative and budget processes and documents.

Progress:

- Drafted a new client consultant agreement for use on all provincially funded social capital projects.
- Standardized documents including requests for proposals, expressions of interest and scoring criteria for evaluating proposals.
- Incorporated the *Builders Lien Act* and non-complying contractors policy into B.C.'s standard stipulated sum contract.
- Streamlined project approval process for health projects by reducing the number of approvals required for certain projects and reducing the number of design reviews.

Target: To minimize the operating and capital cost implications of the capital program and undertake and assess more cost-effective and efficient procurement methods.

Progress:

- Updated the value analysis policy and prepared value analysis guidelines for provincially funded projects.
- Co-ordinated value analysis workshops for Treasury Board-approved social capital projects resulting in over $8 million in savings.
- Co-ordinated a bulk purchase and sequential tendering of projects that saved $2.1 million.

Target: To identify opportunities for joint and multi-use facilities and increase the utilization of existing facilities and alternative procurement opportunities.

Progress:

- Played a lead role in the negotiation of repeat use of school designs saving over $3.5 million.
- Examined potential for a joint college/school district and municipal facility in Parksville.
- Established demonstration projects to study alternative methods of procurement.

Performance Targets for 1999/2000

- Provide sound and timely advice to Treasury Board to balance the demand for capital with the need for fiscal prudence and responsible debt management.
- Find new ways of doing business through integrated delivery and co-ordinate development and implementation of capital-related policy.
- Minimize the operating and capital cost implications of new facilities.
- Streamline capital-related administrative processes.
- Increase alternative procurement opportunities.
- Identify opportunities for joint and multi-use facilities and increase utilization of existing facilities.
- Develop a seismic mitigation program.

Provincial Treasury

Provincial treasury operates as the province's banker. It manages debt, provides banking and cash management services, collects loans, provides administration services and oversees risk management. These services are extended to all ministries, Crown corporations and public-sector agencies.

The provincial treasury includes the risk management branch, loan administration branch, debt management branch and banking/cash management branch.

Risk Management Branch

This branch is responsible for developing and managing a comprehensive program that minimizes the risks government faces due to its programs, operations and assets, including public education and health care, Crown corporations and other public entities.

Achievement of Performance Targets for 1998/1999

Target: To provide cost-effective risk management financing programs for government and public-sector agency clients.

Progress:
The program includes risk transfer, risk financing, loss control and claims management. Risks are primarily financed through self-insurance. Program participants are charged premiums substantially less than the prevailing market rate. In this fashion, the risk management branch has instituted substantial cost savings to government. During the 1998/99 fiscal period the branch opened 1,134 new claims and concluded 1,085 claims; ministries reported 345 incidents involving loss or damage to government assets totalling $683,000.

Loan Administration Branch

The loan administration branch is responsible for providing professional and cost-effective loan administration and collection services to government ministries to safeguard government loan assets and maximize revenue from the collection of government's overdue accounts.

During 1998, the federal *Income Tax Act* was amended to allow the provinces to participate in the Revenue Canada set-off program. The program allows the province to collect outstanding debt from income tax and refunds. The loan administration branch was designated as the province's contact for the program.

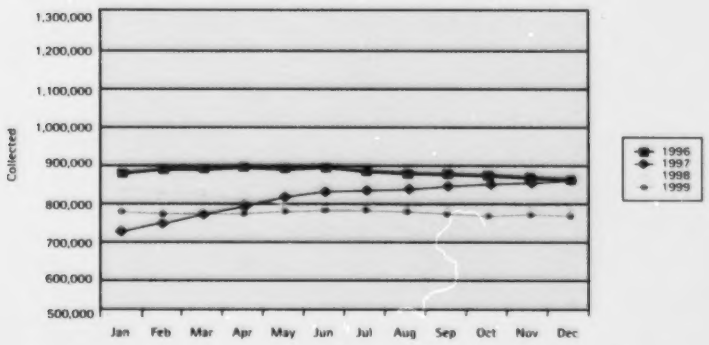
Target: To provide and increase the efficiency of loan collection and administration services to client ministries and agencies.

Progress:

- Receivables under collection totalled 74,734 accounts with a portfolio value of $155.5 million. Revenue totalled $11.3 million.
- Provided loan administration services for 7,217 accounts with a portfolio value of $437 million. Recoveries totalled $13.3 million.

The chart below shows the revenue collected on the British Columbia assistance debt as of December 1999. Revenue has declined due to a change in student loan funding in 1995, which has resulted in fewer student loan defaults received and administered by the government.

Loan Administration Branch
Branch Collection of B.C. Student Assistance Debt
12 month rolling average – Post Risk Sharing



The Revenue Canada set-off program generated revenue of $489,000 between July 19, 1998 and March 31, 1999. Fiscal 1999/2000 will be the first full year of revenue generation for the program.

Debt Management Branch

The debt management branch is responsible for ensuring the borrowing requirements of the provincial government and its agencies are met. The branch is also responsible for delivering lowest-cost financing within acceptable risk levels from the domestic and international capital markets.

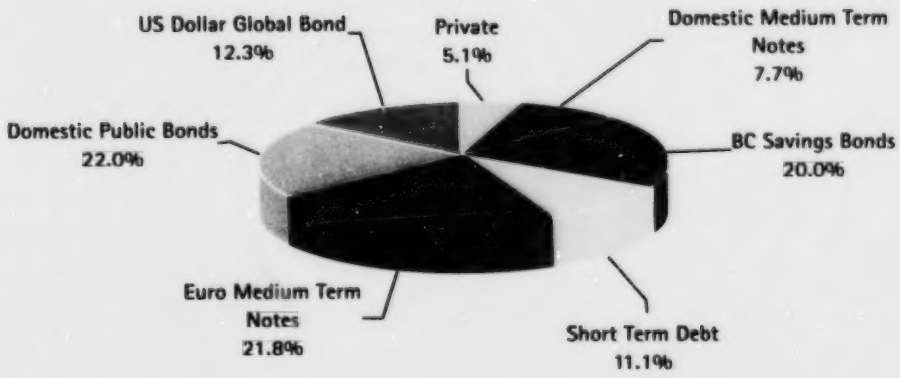
Achievement of Performance Targets 1998/99

Target: To provide funding and financial advisory services to the province and its Crown corporations and agencies and prudently manage the debt portfolio.

Progress:

- Borrowed $6.3 billion in various markets on behalf of the province, primarily to refinance debt maturities ($4.2 billion) and to meet other government and Crown corporation financing requirements.
- Managed the annual BC Bonds program, raising $1.3 billion from local investors in the second-largest campaign since the program started in 1992.
- Through the issuance of domestic Medium Term Notes, Euro Medium Term Notes and international public market securities, realized savings compared to the relative cost equivalent term domestic borrowings.
- Managed the defeasance of debt transferred to the new Greater Vancouver Transportation Authority and the local portion of regional hospital district debt. The defeasance removed approximately $700 million from the province's balance sheet while returning the responsibility for planning and control to local authorities.
- Acted as financial advisor for public-private partnership project opportunities relating to transportation and other key infrastructure in the province.
- Hosted the annual inter-provincial borrowers' conference in Victoria, providing a forum for provincial and federal debt managers to share ideas and strategies for minimizing the cost of liability management.

1998/99 Borrowing Activity



Banking/Cash Management Branch

This branch is responsible for managing the cash of the general fund, special funds and clients' funds to maximize corporate financial returns while meeting the government's payment obligations. The branch informs and provides clients with reliable, efficient, effective and cost-justified banking, cash management and custody services according to their requirements. The branch also provides electronic commerce advice and services to meet clients' changing needs.

Achievement of Performance Targets 1998/99

Target: To provide high-quality, efficient and innovative banking, cash management, electronic commerce products, securities settlement and safekeeping services to ministries, Crown corporations and government bodies.

Progress:

- People can now make rural water bill and superannuation commission payments through B.C. financial institutions. By processing payments electronically, the water management branch and superannuation commission realize administrative savings.

- The number of purchasing cards now exceeds 6,000, the number of transactions has increased by 123 per cent, and the administrative savings to government exceed $5 million per year.

- As part of electronic tax-collection initiatives, financial institutions are now processing 52 per cent of tax returns, while 31 vendors are using electronic funds transfer to remit $980 million of consumer taxes annually.

- Increased operational efficiencies have been realized with the transition from impact cheque printing to laser printing. The use of electronic funds transfers has reduced the use of cheques in the supplemental assistance for senior renters (SAFER) program by 67 per cent, resulting in significant savings.

- The business travel account (BTA) provides a centralized billing account to which ministries and agencies can charge airfare and receive one bill for all monthly travel purchases. The BTA allows travel agents to receive immediate payment and provides detailed management reports for superior control of travel budgets. Currently there are over 640 BTAs in use in the government, resulting in estimated annual savings to government of $2 million.

- The number of corporate travel cards increased dramatically during the fiscal year – from about 1,000 to 7,480. This program is realizing annual savings to government of $1 million and has reduced temporary travel advances and associated paperwork by 60 per cent since 1989.

Banking/Cash Management Statistics 1998/1999

General Banking Services

Cash Flow	$90.0 Billion
Interest Earned	$28.7 Million
Opportunity Costs	$150,000
Direct Deposits	$3,131,925
Cheques	$2,281,246
Bank Accounts in Use	$2,214
Agreements Under Administration	$104

Electronic Commerce: Card Services

	Annual $	Number of Transactions
Purchase Cards	$47,648,693	6,506
AMEX Travel Card	$11,250,577	576
Business Travel Accounts	$4,899,159	567
Debit Card Usage	$361,655,940	9,018,915
Credit Card Usage	$17,821,025	607,810

Office of the Chief Investment Officer

The mandate of the office of the chief investment officer (OCIO) is to provide professional fund management for all asset classes, exercising the highest standard of prudent and fiduciary responsibilities while returning to the client the highest return for a given level of risk, at a reasonable cost. The OCIO manages funds for government, government bodies and public-sector trust funds, like pension and sinking funds.

Achievement of Performance Targets for 1998/1999

Target: To provide professional fund management for clients and all asset classes.

Progress:

- The OCIO provided fund management service for approximately 1,500 portfolios, including a wide range of pooled portfolios. As of March 31, 1999, the asset base was $52.6 billion. In fiscal 1998/99 assets under administration grew by $1.5 billion or 2.7 per cent.
- The OCIO provided a complete range of fund management services for clients, including cash management, consulting, economic analysis, manager reviews, risk management, trading, trade settlement, performance measurement, policy reviews, compliance monitoring, security lending and corporate governance.
- The OCIO created a long-term bond fund, a new investment vehicle to expand investment options available to its clients.

Target: To provide services while exercising the highest standard of prudent and fiduciary responsibilities.

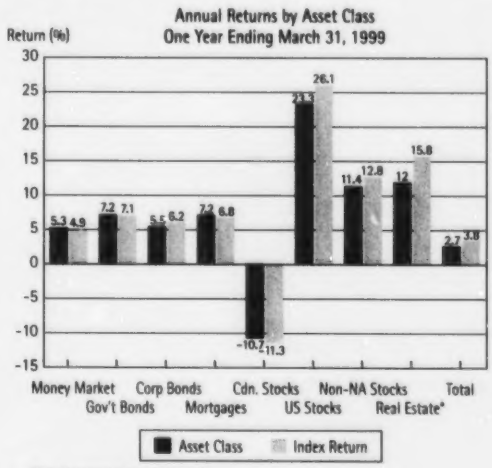
Progress:

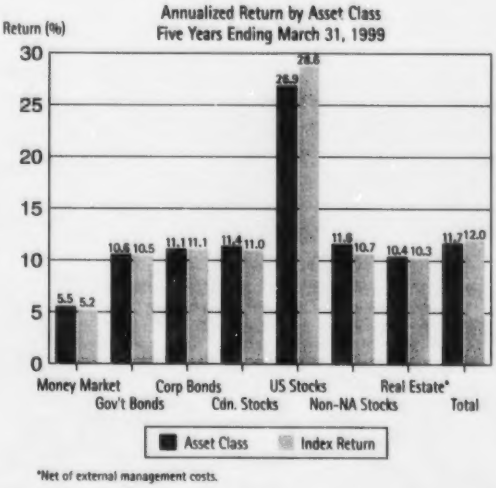
- All investment decisions were made on the basis of expected risk and return and in accordance with the prudent person rule.
- Staff must comply with strict conflict-of-interest guidelines and operate under the code of ethics established for the investment industry.
- Funds were monitored on an ongoing basis to ensure compliance with policy and regulatory requirements.
- The OCIO's internal systems and those of our major suppliers were reviewed for Y2K compliance.

Target: To provide clients with the maximum return given the level of risk.

Progress:

- Returns on a one- and five-year basis were as follows:





- In fiscal 1998/99, all the internally managed pools, except corporate bonds, met or exceeded their benchmarks. Unfortunately, most of the externally managed funds underperformed their benchmarks and this reduced overall returns.

Target: To provide investment services at a reasonable cost.

Progress:

- Investment costs were approximately 11.8 basis points, making the OCIO one of the low-cost providers of investment services. Internal costs were among the lowest for North American pension plans.

Performance Targets for 1999/2000

- Have pooled funds meet market-based investment performance benchmarks.
- Have trust and pension funds meet policy mandates and market-based investment performance benchmarks.
- Meet quarterly with our clients to review our performance.

Government Services and Registries

The government services and registries division provides government ministries and public-sector agencies with purchasing, printing, publishing, mail, storage and distribution services and handles the disposal of tangible and intangible property.

The division also supports the office of the lieutenant-governor and Government House; provides statistical analyses of economic, social, business and demographic data; and delivers reliable, accessible, corporate and personal property registry services for the province.

Government Services

Government services develops and administers public-sector purchasing policy and negotiates and implements procurement under the agreement on internal trade.

Achievement of Performance Targets for 1998/99

Target: To generate procurement savings and avoid costs through negotiated government discounts.

Progress:

- Saved an estimated $38 million on goods and services purchased through the purchasing commission and approximately $4 million by negotiating discounted car-rental and accommodation rates and implementing business travel accounts.
- The purchasing commission and information technology services division of the Information, Science and Technology Agency established master standing offer agreements to provide software testing tools and created a database of Y2K systems experts available to assist ministries to address Y2K compliance issues.

Target: To implement a new vehicle management framework within government.

Progress:

- Under the direction of the transportation management group, PHH vehicle management services began leasing vehicles to government on April 1, 1998, and fully implemented outsourced fleet management by September 1, 1998.

Product Sales and Services

The major activities of product sales and services include:

- Queen's Printer and Publishing
- Postal and distribution services
- Warehousing and asset investment recovery
- Product distribution centre

Achievement of Performance Targets for 1998/99

Target: To deliver products and services to government and public bodies at minimum cost.

Progress:

- Generated savings and avoided costs of $7.5 million by negotiating volume discounts on services like postal and parcel distribution, consolidating warehousing, purchasing high-volume goods in bulk and redistributing surplus assets.

Target: To generate new non-tax revenue and create jobs through licensing agreements with the private sector for use of government's intellectual property.

Progress:

- Created 59 new jobs and generated $700,000 in royalties through licensing agreements for government-owned intangible property.

Target: To implement an Internet-based publications index that lists all government publications, including legislation, and enables the public and private sectors to search for and order publications electronically.

Progress:

- Implemented the B.C. publications index on the Internet in October 1998. The index contains 5,500 entries and has attracted more than 23,000 separate inquiries, with publication orders from as far away as Kuwait, Australia and Japan.

Target: To implement a replacement for the business system operating in product sales and services to meet operational requirements, achieve Y2K compliance and improve service delivery.

Progress:

- Completed implementation of the SAP R/3 business system in June 1998.

Registries

Registries provide for the creation and registration of all business entities, non-profits and co-operatives operating in British Columbia, the registration of security interests in personal property in British Columbia, the registration of ownership and location of manufactured homes in the province, and the operation of the auditor certification board under the *Company Act*. Registries' revenue comes from fees and licences.

Achievement of Performance Targets for 1998/99

Target: To decrease service turnaround times for clients.

Progress:

- Turnaround times improved, as 11 of 19 service areas were within established standards during the year – up from nine the previous year.

Target: To implement the corporate and personal property registries' new system to attain efficiencies from the new *Company Act* (passed in July 1999).

Progress:

- A project plan, including a charter, has been completed, and consultants have been engaged to develop a new system.

Target: To implement a process to enable manufacturers to register new homes on the manufactured home registry from their production plant, through online registry services.

Progress:

- This project was completed and is in production.

Target: To implement a process to enable the public to obtain ownership, location and lien information on manufactured homes through a single search.

Progress:

- This project was completed and is in production.

Performance Targets for 1999/2000

- Prepare or update business case analyses to confirm the ongoing viability of programs, identify opportunities for process and technology improvements and improve accountability.
- Implement electronic commerce/electronic service delivery enhancements to existing programs (key projects are B.C. Bid, ORCA procurement project, corporate registry system and B.C. Internet Services).
- Improve program accountability with program performance standards and results for 1999/2000 and regular reporting on the status of initiatives and projects.
- Implement viable initiatives and projects – including the consolidation of WAIR and office products centre warehouses, and central agency review initiatives – to improve administrative and operational efficiencies.
- Implement initiatives and processes to improve the organizational capacity to achieve program objectives, including completion of a records and information management review to improve the scheduled retention of, and access to, program information.

Revenue Division

Revenue division collects taxes for the government and administers the province's major tax legislation, ensures tax legislation is applied fairly and consistently, promotes voluntary compliance and enforces the legislation. The division also delivers benefits under such programs as B.C. family bonus, seniors' supplement, bus passes, first-time homebuyers, land tax deferment and fuel tax rebates to British Columbians.

Achievement of Performance Targets for 1998/99

Target: To provide effective revenue operations.

Progress:

- Improved processing of new business registration applications to assign new social services tax vendor and hotel room tax operator registration numbers within 24 hours.
- Installed a *One Stop Business Registration* unit in the Vancouver registration section to provide an electronic process to simultaneously register a new business with multiple government agencies.
- Registered 13,000 new businesses under the *Social Service Tax Act* and *Hotel Room Tax Act*.
- Managed the on-time, accurate issuance of tax notices valued at $510 million to owners of rural property.
- Implemented the use of optical character recognition scanning for rural property tax notices to shorten processing and depositing time.
- Managed 245,000 B.C. family bonus program accounts, providing benefits to more than 457,000 children.
- Issued 40,000 annual bus passes to low-income senior citizens and people with disabilities.
- Provided financial supplements to 37,000 low-income senior citizens under the seniors' supplement program.
- Completed 19,600 claims for property transfer tax exemption under the first time homebuyers' program.
- Issued motor fuel tax refunds exceeding $1 million for persons with disabilities.

Target: To provide beneficial taxpayer information.

Progress:

- Introduced an income taxation branch Web site and expanded content on the consumer taxation branch website by adding downloadable registration forms.
- Established a Vancouver audit office for income taxation branch to improve services to corporations.
- Conducted joint audits to simplify audit requirements on businesses between the income taxation branch and Canada customs and revenue agency.
- Participated in the drafting of a portion of the taxation agreement for the proposed fuel and social service tax remissions to the Nisga'a government.
- Met with several trade associations, industry organizations and business education students attending University of Victoria and Camosun College to provide an overview of the application of social service and hotel room tax.

Target: To provide a relevant technological infrastructure.

Progress:

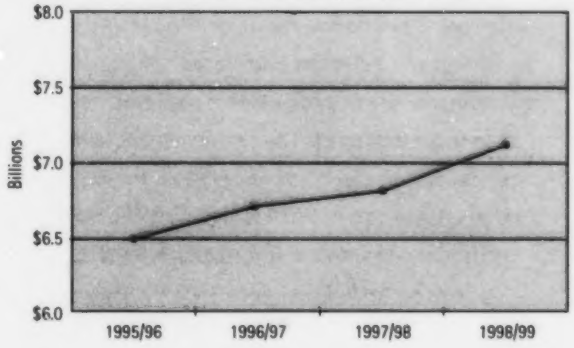
- Implemented a Y2K contingency project to modify all division systems to ensure their operation beyond December 31, 1999.
- Completing the final design and building phase for an integrated consumer tax computer system, to be fully deployed by December 2000.
- Completed the development of the new B.C. family bonus system to enhance data between the revenue division and Ministry of Human Resources, and to also facilitate the data structure requirements of the new national child benefit supplement.
- Undertook an improvement project to replace the current mix of workstation and server technology.

Target: To optimize voluntary compliance and increase revenue.

Progress:

- Gross revenue collected over the last four fiscal years increased.

Gross Tax Collected by Revenue Division



- The auditor general of British Columbia completed a review of the division's collection programs and determined that they are effective and efficient.
- Completed 3,600 consumer tax audits for a recovery of $61.2 million (an increase of seven per cent).
- Collected $498 million in rural property taxes between May 1998 and August 1999, of which $489 million was 1998 taxes and $8.7 million was for prior years' taxes.

- Collected $99 million in debt accounts (excluding real property tax) including $23 million from income, capital, and property transfer tax audit activities.
- Continued the assessment of persons bringing in untaxed tobacco and established a joint prosecution program with Canada customs and revenue agency where offenders are charged under both the provincial *Tobacco Tax Act* and federal *Excise Act*.
- Working with the RCMP, the division seized 132,000 cartons of cigarettes with a provincial tax value of $2.9 million.

Target: To have a skilled and motivated workforce.

Progress:

- Implemented modified work week across tax programs and supported job-sharing arrangements.
- Continued to improve working conditions by replacing non-functional workstations and enhancing workstation ergonomics.
- Adjusted hours of work for employees to accommodate medical conditions, returning to work from long-term disability, and family needs, by having some employees start earlier or leave later.
- Solicited visible minorities to fill audit positions by providing vacancy posting to outreach recruitment agencies.
- Posted branch-specific position descriptions, job descriptions and competitions on branch Web sites.

Target: To initiate an attuned legislative process.

Progress:

- Introduced tax credits for mining exploration, film and video, production services programs and B.C. earned income benefit.
- Merged *Part 4, Fire Services Tax Act* with the *Insurance Premium Tax Act* on both the legislative and administrative levels, supporting the business streamlining initiative.
- Reduced some of the reporting requirements for motor vehicle and trailer sales for automobile dealers, and reduced the compliance burden for Canada-wide fuel sellers through the implementation of common return forms and schedules.
- Completed planning for the consumption tax advisory committee forum where businesses can regularly share their concerns.
- Increased exemptions from social service tax, as a result of province-wide taxpayer input.
- Participated in economic plans prepared under the *Job Protection Act*, by authorizing rural property tax deferrals to support continued operation of several mining and other resource-based businesses.

Performance Targets for 1999/2000

- Provide effective revenue operations.
  - Improve remittance convenience for taxpayers by increasing the number of tax returns accepted for payment by financial institutions.
  - Complete and implement an all-hazards business continuation plan to support division-critical business processes.
  - Implement the family bonus renewal system.
  - Complete centralization of consumption tax refund requests.

- Provide beneficial taxpayer information.
  - Continue to improve the navigation and content of divisional Web sites to provide more service to taxpayers.
  - Improve telecommunication access by taxpayers to divisional programs.

- Provide a relevant technological infrastructure.
  - Develop and implement a process to ensure the revenue division is Y2K ready.
  - Replace non-compliant Y2K workstations (hardware and software), local area network and help desk system to comply with government standards.
  - Successfully implement release one of the CTB21 project, which is developing an integrated tax administration system for consumption taxes.
  - Complete a corporate feasibility study to determine the magnitude, scope and benefit of expanding electronic service delivery across tax programs.

- Optimize voluntary compliance and increase revenue.
  - Develop and implement a revenue division business plan that links compliance expenditures with levels of revenue collected.
  - Maintain average annual auditor revenue of $500,000.
  - Work with Canada customs and revenue agency to implement a set-off process for collection of property transfer debts.
  - Implement a program with Canada customs and revenue agency where customs officials collect provincial tax on personal imports by B.C. residents through international borders, the mail and courier.

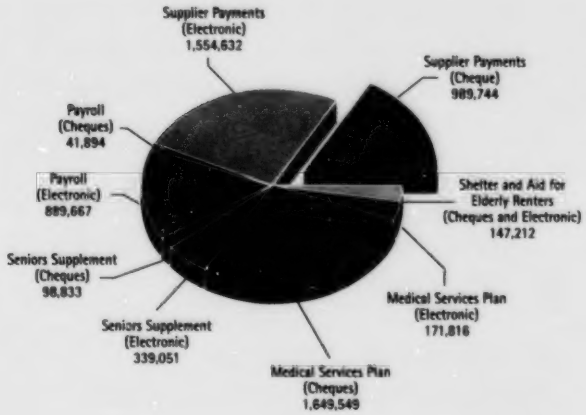
- Have skilled and motivated workforce.
  - Provide field training in tax administration and payment processing to government agents' field collectors of rural property taxes.
  - Provide training on the use of advanced audit selection and enquiry software tools for income taxation programs.
  - Provide staff training on the use of the new integrated tax administration system for consumption tax.
  - Develop and implement a new space plan to meet division's operational needs.

- Initiate an attuned legislative process.
  - Participate in tax budget consultations with taxpayer groups.
  - Prepare tax administration legislation options for government consideration.
  - Establish a consumption tax advisory committee to provide advice on a variety of issues.
  - Work with Canada customs and revenue agency to amend tax credit legislation and to establish administration that will support the new B.C. scientific research and experimental development tax credit program.

Office of the Comptroller General

The office of the comptroller general maintains the provincial government's corporate accounting system and is responsible for the quality and integrity of the government's financial management and control systems. Its mandate is set out in the *Financial Administration Act.*

Number of Payments Made by Government in 1998/99


Supplier Payments (Electronic) 1,554,632
Supplier Payments (Cheque) 989,744
Payroll (Cheques) 41,894
Payroll (Electronic) 889,667
Shelter and Aid for Elderly Renters (Cheques and Electronic) 147,212
Seniors Supplement (Cheques) 98,833
Medical Services Plan (Electronic) 171,816
Seniors Supplement (Electronic) 339,051
Medical Services Plan (Cheques) 1,649,549

Achievement of Performance Targets for 1998/99

Target: To initiate and participate in activities that support major government initiatives and ensure excellence in financial governance.

Progress:

- Assisted six government bodies to implement the corporate accounting system (CAS) as their corporate payment processing system.
- Assisted selected ministries to implement the new oracle asset module.
- Supported government electronic commerce initiatives by developing a framework for security policies and electronic forms.
- Produced and distributed manuals, documents and training materials electronically as a cost-effectiveness and efficiency measure.
- Worked with the auditor general to eliminate two of three reporting reservations on the public accounts.
- Examined mission-critical systems and confirmed that the corporate accounting system was Y2K compliant.
- Contributed to improved government performance by initiating the financial function benchmarking program.
- Examined organizations outside the main core of government including activities within school districts and contracted agencies in the health and social services sectors.
- Increased effectiveness of internal audit services across government by consolidating the internal audit function and creating a corporate audit committee.
- Improved reporting to key stakeholders by increasing distribution of public accounts information on the Internet.

Performance Targets for 1999-2000

- Standardized processes for the review of alternative financing proposals and business risk analysis and provided expertise and advice regarding the alternative financing guidelines.
- Released the public accounts in mid-October 1998, the earliest release date in recent years.
- Continued progress in the capitalization of government assets, including a memorandum of understanding with the auditor general and capitalization of three new asset classes.
- Established an electronic database for unclaimed properties.

- Provide proactive, professional and leading-edge solutions, financial statements and advice to clients.
- Demonstrate a spirit of partnership, integrity, respect and client-focused service.
- Release public accounts in September 1999.
- Implement Oracle Financials for designated ministries.
- Install corporate accounts receivable for the Ministry of Children and Families.
- Finalize and implement changes to chart of accounts into Oracle Financials.
- Reduce average costs of operating audit function.
- Implement unclaimed money legislation.
- Return 10 per cent of unclaimed property remitted.
- Implement 90 per cent of accepted administrative efficiency measures.
- Ensure government bodies implement or plan to implement 80 per cent of audit recommendations.
- Provide timely and useful financial policy advice and directives.
- Fully meet Y2K requirements.
- Update and exercise business continuation plan.
- Implement approved organizational records classification system.
- Implement an effective Web site and Intranet strategy.
- Begin implementation of benchmarking results for finance and administration.

Corporate and Ministry Support Services

This division assists the ministry's operations and programs with financial administration, personnel, information access and records, and information technology services. In addition, it supports corporate activities such as performance management and accountability, training and development, renewal, employee recognition, multiculturalism and mentorship.

It serves 3,400 employees in the Ministry of Finance and Corporate Relations, 13 outside clients, including the executive council (members of cabinet) and premier's office organizations under service agreements, and a number of government agencies.

Achievement of Performance Targets for 1998/99

Target: To respond when information is requested from the ministry under the *Freedom of Information and Protection of Privacy Act*, and provide effective records management training, advice and assistance.

Progress:

- Responded to 257 requests for documents under the *Freedom of Information and Protection of Privacy Act*.
- Implemented the three-year records management strategic plan in fall 1998. It is now 50 per cent complete.
- Developed and commenced implementation of a ministry records management training program, in conjunction with human resource training unit.

Target: To improve staff recruitment, training and retention procedures; to create resources to reduce absenteeism and support programs that improve staff morale; to ensure ministry workforce is representative of the population.

Progress:

- Implemented an electronic online staffing process for revenue-generating positions. This system has allowed access to other ministries with similar positions (i.e., auditor positions).
- Overall staffing actions year-to-date: 1,700.
- Initiated 45 ministry internal placements and 42 external placements.
- Implemented innovative and cost-effective ways of delivering programs to ministry employees. Due to ministry Y2K compliance goals, increased importance was put on training components dealing with personal strategies for managing change. Harassment awareness training was also delivered to 75 per cent of ministry and supported entity programs.

- Developed and implemented a safety committee manual to clarify the employer's responsibilities with respect to occupational health and safety. Training of all divisional safety committees in the new WCB regulations was implemented in 50 per cent of the ministry.
- Developed and implemented an electronic tool kit for managers and supervisors that provides line managers and supervisors with a menu of available human resource tools and a contact name for advice and counsel.
- Implemented a supervisory kit to assist managers to deal with high absenteeism cases. It was successfully piloted in two divisions, resulting in early returns to work and increased productivity.
- Implemented the corporate job evaluation plan by completing 375 job reviews.
- Implemented a branch business process review to determine best practices in staffing, classification and attendance management. Process will be ongoing.
- Targeted specific under-represented groups for auxiliary hiring. Fifty per cent of auxiliary staff hired by the ministry were from these groups.

Targets:

- To ensure ministry computer systems are safe from Y2K bug and staff are informed of prevention activities.
- To prepare and implement standards for Internet Web design.
- To continue to update ministry computer equipment, and software to government technology standards.
- To improve the delivery of computer technical assistance to ministry staff.
- To expand the efficient application of electronic technology to financial service applications.
- To improve efficiency of administrative support services.

Progress:

- Established a Y2K executive steering committee to identify ministry computer systems, especially those critical to business activities, which were potentially threatened by the Y2K bug.
- Created a ministry website that contains key information on progress of Y2K activities.
- Initiated a project in co-operation with information science and technology agency and cabinet policy and communications secretariat to define Web/Internet standards for government communications' branches and implemented technology consistent with legislative precinct in those branches.
- Migrated 600 ministry computer users to Microsoft NT and exchange software packages. Computer network infrastructure was either replaced or upgraded with standard technology where required.
- Implemented an improved problem resolution process in the information technology management branch to respond more quickly to client requests and reduce redundancy.
- Increased flexibility and efficiency of access to the government data security administration (access/security) functions for day-to-day administrative changes by decentralizing to program areas.
- Implemented electronic technology to deliver financial services, including signing authorities system, storage of sample signatures and travel transaction forms.
- Transferred the data centre to product sales and services, where the alignment of business functions is more compatible.
- Developed a threat and risk assessment template for divisions to use when completing business recovery plans.

Performance Targets for 1999/2000

Targets:

- To improve communications with programs related to services provided by the branch, including client awareness of services offered by the various sections.
- To apply new technology to make financial and administrative processes more efficient and effective.
- To maintain or improve the participation rate and funds raised through the government's annual charity campaign.

Progress:

- Maintained service agreement arrangements with diverse, autonomous organizations for the delivery of some or all of their administrative support services on a shared basis.
- Developed a resource document, *"Guidelines for Creation and Management of an Administrative Pod"*, that summarized the division's approach to, and experiences with, delivery of administrative support services on a shared basis. This resource is available to help others set up similar shared service delivery arrangements in a practical manner.
- Managed the provincial employees community services fund's annual charity campaign for the government, The fund involved more than 9,119 donors–an increase of 2 per cent from 1997–and raised more than $1.284 million for over 300 charitable agencies across the province (up from 283 in 1997).
- Continued to implement use of electronic technology to deliver financial services, including electronic signing authorities system, storage of sample signatures and travel transaction forms.
- Posted additional financial service procedures and other information to the branch intranet Web site.
- Improve quality of advice, assistance, services and information including quality of monitoring customer outcomes.
- Ensure that the division is Y2K compliant.
- Develop employee training and succession plans based on regular performance appraisals.
- Finalize business continuation plans.
- Continue streamlining initiatives.
- Improve customer satisfaction.
- Support government and ministry initiatives.
- Comply with legislation, policy and procedures.
- Improve working relations with other agencies.
- Maintain conditions of division's finances, facilities, systems, records, and equipment.
- Improve attitude, morale, performance, safety, and conduct of division staff.

Financial and Corporate Sector Policy Branch

The primary goal of this branch is to provide policy advice that contributes to:

- regulatory frameworks that facilitate efficient financial services, securities and real estate markets in British Columbia while maintaining an appropriate level of consumer protection; and
- legal frameworks vital to corporate organization and commercial activity in British Columbia (e.g., legislation that governs the formation and operation of business entities and other associations, including strata corporations, and legislation that is intended to secure the interests of creditors).

The branch's mandate includes providing financial and corporate sector policy advice to the minister and ministry executive; implementing government financial and corporate sector policy decisions, primarily by initiating and preparing legislation and regulations; co-ordinating the ministry's non-budget legislative program; and responding to issues outside of the branch's primary mandate.

Achievement of Performance Targets for 1998/99

Target: To develop policy and legislation regulations that contribute to efficient financial services, securities and real estate markets while protecting consumers.

Progress:

- Amended the *Securities Act* to clarify its application to segregated funds and harmonize insider report filing requirements and take-over bid timing requirements.
- Amended the *Mortgage Brokers Act* to provide for investor disclosure, conflict-of-interest disclosure and regulatory powers.
- Amended the *Real Estate Act* to provide an industry-funded compensation plan to replace bonding requirement.
- Reduced red tape with amendments to the *Financial Institutions Act*, *Credit Union Incorporation Act* and *Real Estate Act*, as part of the government's streamlining initiative.

Target: To develop policy and legislation/regulations that contribute to the provision of legislation vital to corporate organization and commercial activity in the province.

Progress:

- Continued public consultations on a proposed new *Company Act*.
- Participated in government consultations on proposed amendments to the *Cooperative Associations Act*.

Performance Targets for 1999/2000

Target: To develop policy and legislation/regulations that contribute to the provision of a modern legal framework for strata development and ownership.

Progress:

- Developed new plain-language *Strata Property Act* to replace the *Condominium Act* – to provide more flexible and balanced rules of corporate governance and strata property development and to respond to the recommendations of Barrett Commission regarding "leaky condos".

Target: To co-ordinate the ministry's non-budget legislative program for the spring 1999 session of the legislature.

Progress:

Co-ordinated 21 bills during the legislative session.

Target: To respond as necessary to issues outside the branch's mandate.

Progress:

- Co-ordinated the ministry's response to the business task force initiative to enhance government efficiency through red tape reduction and streamlining.
- Co-ordinated the cross-ministry *Regulatory Streamlining Miscellaneous Statutes Amendment Act*, 1998.
- Develop policy and legislation/regulations that contribute to efficient financial services, securities and real estate markets while maintaining an appropriate level of consumer protection.
- Develop policy and legislation/regulations that contribute to efficient financial services, securities and real estate markets while maintaining an appropriate level of consumer protection, including the development of amendments, regulations and forms necessary to implement the new *Strata Property Act*.
- Develop *Real Estate Act* regulations to support amendments to require licensing of strata managers. Also replace the existing bonding requirements for real estate licensees in an industry-funded compensation fund.
- Develop policy and legislation/regulations that contribute to the provision of legal frameworks vital to corporate organization and commercial activity, including the development of a new *Company Act*.
- Amend the *Mortgage Brokers Act* regulations to support investor protection.
- Co-ordinate the ministry's non-budget legislative program for the spring 2000 session of the legislature and respond as necessary to issues outside the branch's mandate.

Streamlining Initiative

The streamlining initiative is a government-wide program that began with the appointment of a business task force in May 1998 by the Minister of Finance and Corporate Relations. The task force was given a one-year mandate to reduce the cost of doing business in British Columbia and to cut red tape.

Chaired by the Minister of Finance and Corporate Relations, the following representatives from business, labour and government participated on the business task force:

Honourable Ian Waddell
Minister of Small Business, Tourism and Culture

Suromitra Sanatani
Canadian Federation of Independent Business

Naomi Yamamoto
President, Lasercolor, Past Chair of the BC Chamber of Commerce

Barb Mowat
Owner, Impact Communications, Member of the Federal Regulatory Review Committee

Eldon Schorn
Alliance of Manufacturers and Exporters

Stephen Thomson
BC Agricultural Council

Dale Wheeldon
President, Economic Development Association of BC

Tony Tennesey
Realty Investment Manager, Operating Engineers' Pension Plan

Jock Finlayson
Business Council of British Columbia

Craig Bushell
Pricewaterhouse Coopers LLP

Jeff Fox
BC Government and Service Employees' Union

Mark Kingsbury
Council of Tourism Associations

George Hunter
Technology Industries Association of BC

Lynn Tait
Deputy Minister, Ministry of Small Business, Tourism and Culture

Chris Trumpy
Deputy Minister, Ministry of Finance and Corporate Relations

The task force issued four quarterly reports, which are available on the Internet at www.streamline.gov.bc.ca/. Staff support for the task force is provided by the Ministry of Finance and Corporate Relations.

Achievement of 1998/1999 Performance Targets

Target: To assist the business task force to carry out its mandate.

Progress:

- The task force consulted with the business community to hear their concerns and follow-up on their suggestions.
- Over 600 suggestions were received, of which about 130 were given top priority by the task force. The full list and status of proposals can be viewed at www.streamline.gov.bc.ca/.
- The task force initiated or sponsored streamlining projects in key areas, including:
  - the liquor policy review to revise and update the province's liquor laws with input from affected business sectors;
  - the oil and gas initiative under which government created a one-window regulatory agency, established revenue sharing with local governments and revised royalty rates;
  - the forest action plan, a two-part strategy developed to stabilize and modernize B.C.'s forest sector and help industry, communities and workers move to a more diversified and sustainable future while maintaining strong environmental standards;
  - the high-tech employment standards strategy, to modify employment standards to meet the unique needs of the growing high-tech sector; and
  - one-stop business registration, which was available in more than 40 communities around the province by March 1998.
- The task force encouraged the development of housekeeping and streamlining legislation:
- The *Business Paper Reduction Act* was passed in July 1998 to enable streamlining changes to be implemented by regulation. Twenty-six regulations were identified under 14 statutes to speed up processes, simplify administration and make it easier to do business.
- Bill 44, *Regulatory Streamlining Miscellaneous Statues Amendment Act, 1998*, was passed in July 1998. The act makes housekeeping amendments to about 35 statutes and represents the initial set of legislative changes designed to reduce the cost of doing business or increase government efficiency.
- The government accepted the task force recommendation that a process for making these kinds of amendments be continued.
- The task force recommended that government adopt an instrument (which the task force initially called a business lens) to improve the accountability for regulatory policy decisions. The instrument is intended to ensure that regulatory policy decisions are made with full information about their implications, including the implications for business. Regulatory policy is broadly defined to include legislation, regulations and administrative policy that constrains or restricts economic activity.
- The government accepted the recommendation and will implement new requirements for regulatory impact statements.

1999/2000 Performance Targets

- Implement the task force recommendations for regulatory impact statement legislation, policy and procedures;
- Implement the government's regulatory impact statement policy and procedures;
- Continue the process for identifying and completing streamlining and housekeeping legislation;
- Assist the task force to carry out its mandate.
- Implement government decisions on task force recommendations.

Communications Branch

This branch was reorganized in 1998 to improve communications and public relations services provided to the minister, deputy minister, executive and other divisions and branches in the Ministry of Finance and Corporate Relations.

The branch provides strategic communications advice and issues management to ensure effective two-way communication between the ministry and the media, general public, business and industry, special interest groups, ministry employees and other governments.

The branch works to improve public understanding of the ministry's programs and services by responding to media and public enquiries and writing speeches, brochures, pamphlets, annual reports and strategic communication plans. It organizes special events, co-ordinates ministry advertising and responds to public information requests. The branch also manages issues by anticipating, identifying and monitoring issues, and providing responses and advice on media relations.

All of these activities play a role in the branch's co-ordination of the release of the provincial budget each spring, the branch's largest undertaking.

Achievement of Performance Targets for 1998/1999

Target: To ensure public, media and stakeholders are aware of ministry initiatives including the complete details of the provincial budget.

Progress:

- Planned and executed a pre-budget consultation tour for the minister to 25 B.C. communities.
- Organized communications activities for the annual provincial budget including budget day events, distribution of materials across the province, lock-ups for the news media, and access to the minister and ministry staff for regional and ethnic media throughout the afternoon of budget day and the days following.
- Wrote and distributed 52 news releases during the year.
- Maintained and improved the Ministry of Finance and Corporate Relations Internet site for faster and easier access to ministry information and publications, including the annual budget. The address is www.fin.gov.bc.ca.

Target: To provide effective communications support for Ministry of Finance and Corporate Relations programs and legislative initiatives.

Progress:

- Provided communications support to the business task force's activities.
- Co-ordinated the advertising activities for a record $1.2-billion sale of BC Bonds.
- Provided communications expertise and advice to ministry divisions and government agencies on credit rating reports, quarterly financial reports and other government initiatives.
- Developed and implemented communications strategies for changes to the *Income Tax Act* to implement the B.C. component of the national child benefit system, for fuel tax exemptions for farmers, for streamlining regulations and for the rural residential tax freeze.
- Enhanced internal ministry communications by leading a ministry-wide editorial board and producing a three-times-a-year newsletter, *NetWorth News*, for ministry employees.

Performance Targets for 1999/2000

- Redesign ministry's website to include access to government extranet, an electronic-commerce interface with government. The new website will be consistent with government webpage standards.
- Support the ministry's target of improved public reporting procedures by providing effective media and public relations.

Reports from Commissions and Agencies Reporting To the Minister

Coordination of Agencies, Boards And Commissions

Co-ordination of agencies, boards and commissions (CABC) links with ministers' offices, ministries, agencies, boards, commissions and individuals interested in appointment. CABC provides advice regarding appointment principles and maintains a large skills bank containing the résumés of interested individuals.

The branch has approximately 13,000 résumés from persons qualified and willing to serve the public interest on citizen boards. All résumés are summarized in a database to provide quick access to candidates with particular skill sets.

Achievement of Performance Targets for 1998/1999

Target: To facilitate the appointment of qualified British Columbians to the agencies, boards and commissions to which the province makes appointments. To bring the voice of youth (29 and under) to agencies, boards and commissions in the province's jurisdiction.

Progress:

- More than 3,200 British Columbians are appointed to over 240 agencies, boards and commissions. By the end of 1998/99, 49 appointees were youth, and a successful pilot mentorship program for youth on boards was completed.

Target: To support the development of training for individuals appointed to administrative tribunals.

Progress:

- Coordination of agencies, boards and commissions supported the ongoing development of foundations in administrative justice, a course developed in partnership with the British Columbia council of administrative tribunals. The course is widely used as a model across Canada.

Performance Targets for 1999/2000

- Continue to support core activities and assist in the development of increased training opportunities for individuals appointed by the province to agencies, boards and commissions.

Superannuation Commission

The superannuation commission is one of the largest pension plan administrators in Canada and is responsible for administering five statutory pension plans in B.C.: the College Pension Plan, the Members of the Legislative Assembly Pension Plan, the Municipal Pension Plan, the Public Service Pension Plan and the Teachers' Pension Plan. During 1998/99 the commission also provided services to the pension plans of the following Crown corporations: BC Rail Ltd., Westel Telecommunications Ltd. and the Workers' Compensation Board.

1998/99 Core Activities

Target: To provide effective administration of eight public-sector pension plans with combined assets of over $30 billion, and work with the office of the chief investment officer to ensure sound fiscal investment of pension plans and related trust funds.

Progress

- Served approximately 800 public-sector employers, over 220,000 current contributors and over 70,000 pensioners.
- Calculated pension and termination benefits and administered portability agreements between jurisdictions.
- Approved purchases of past service, a feature that allows plan members to contribute towards their pension plans for past breaks in service.
- Administered and recorded activities in four pension boards the College Pension Advisory Board, the Public Service Pension Advisory Board, the Teachers' Pension Board and the Municipal Pension Board through the pension board secretariat.
- Worked to accommodate changes in both federal and provincial legislation.
- Collected over $1 billion in pension contributions and paid out approximately $1 billion in termination and monthly pension benefits.

1998/1999 Services Provided

Target: To provide enhanced pre-retirement services to plan members, while serving increasing service demand levels.

Progress

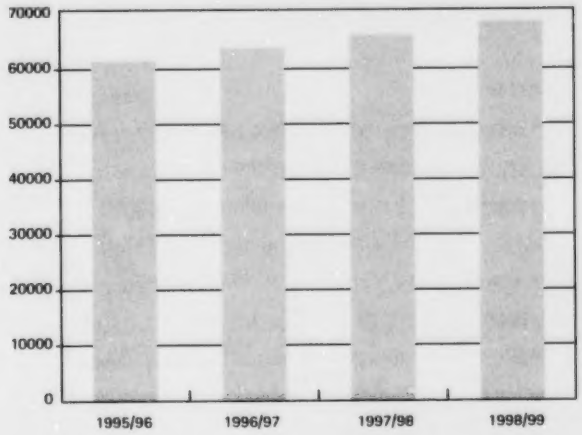
- Continued to develop the pre-retirement phase of the new pension administration computer system, scheduled for implementation in 1999/2000.
- Continued to enhance the commission's employer Web site, which gives pension counselling and quick calculation tools to 300 employers, many with multiple users.
- Developed a public Web site for plan members, scheduled to open in April 1999.
- Responded to public-sector early retirement incentive programs by providing benefit and cost estimates to employees considering early retirement and related programs.
- provided termination benefit options to 8,000 people
- estimated pensions for 7,500 people
- quoted purchase of service for 13,000 people
- granted pensions to 5,000 people

Performance Targets for 1999/2000

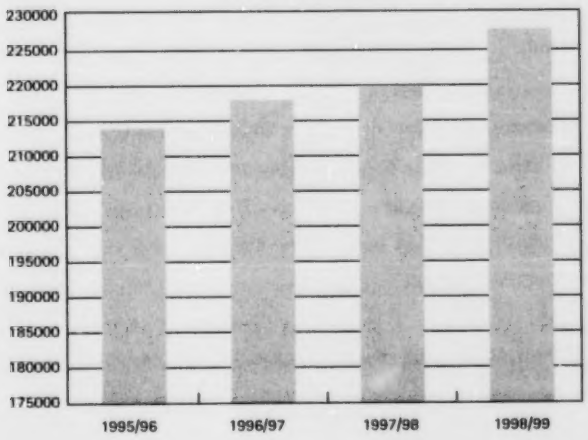
- Continue to improve service response to plan members.
- Implement major new pension administration system (IPAS).
- Implement public Web site for plan members.
- Continue to respond to public-sector early retirement initiatives.

Public Sector Employers' Council (PSEC)

Number of Pensioners



Number of Active Contributors to the Various Plans



The public sector employs approximately 300,000 British Columbians in the public service, health care, social services, public schools, colleges and institutes, universities, and Crown corporations. PSEC is the link between government and public-sector bodies and co-ordinates human resource and labour relations policies and practices among public-sector employers, allowing greater accountability and cost savings. It provides a vehicle for government to advise public-sector employers regarding strategic directions and for public-sector employers to advise government on emerging public-sector human resources issues.

Achievement of Performance Targets for 1998/1999

Target: To co-ordinate public-sector labour relations.

Progress:

- Eighty-five per cent of approximately 635 collective agreements representing about 300,000 public-sector and service employees covered by the Act expired during 1998/99. Collective agreements were reached for more than 75 per cent of these employees.
- An agreement was reached in the health facilities sub-sector without third-party intervention for the first time in more than 30 years of bargaining.
- The principle of free collective bargaining was protected in negotiations.
- Gainsharing initiatives were included in several collective agreements to achieve service efficiencies that ensure sustainability of public services.

Target: To achieve greater fairness and equity in compensation.

Progress:

- Technical advice and assistance was provided to public-sector employer associations developing and implementing pay equity plans, including review and final approval of plans.
- Collective agreements negotiated in the community social services sector included provisions to deal with low wage redress.

Target: To ensure the effective management of exempt and executive compensation policies and practices.

Progress:

- An accountability structure was established to ensure proper management of exempt and executive compensation adjustments, including adjustments for public-sector employees earning more than $100,000 per year who have been frozen at their current compensation level since 1993.
- Employment termination standards framework was implemented, including the collecting and auditing for compliance of employment contracts for exempt and executive employees.

Target: To improve relationships between stakeholders.

Progress:

- Three council meetings and four government directors' meetings were held.
- Developed a compensation streamlining initiative with community social services employers' association and funding ministries.
- Published six *PSEC Updates* and developed a corporate website.

Target: To provide advice to stakeholders on emerging issues or trends.

Progress:

- Established policies and objectives regarding bargaining mandates.
- Developed a database for recording signed collective agreements that can be used for tracking settlement trends.
- Provided briefings, presentations and human resources/labour relations advice to stakeholders.

Performance Targets for 1999/2000

Target: To enhance appropriate structures and organizational capacity to deliver PSEC's full mandate.

Progress:

- Initiated a model review in order to assess the performance of the PSEC structure (which includes the council, secretariat and employers' associations) with respect to the functions set out in the *Public Sector Employers Act.*
- The PSEC secretariat approved employer associations' annual budgets.

Target: To enhance youth employment in the public sector.

Progress:

- Implemented the Youth Options B.C. public-sector youth employment (PSYE) initiative. PSYE projects are located throughout the province and enable youth 15-29 to access quality training and employment in the broad public sector.
- In its pilot year, the program target was 225 placements at an average cost of $6,000 per youth placement. It exceeded this target, placing 381 youths in public-sector organizations such as women's centres, universities, high schools, hospitals and health units, at an average cost of $3,300 per placement.
- Review structural issues related to public-sector bargaining, addressing how government's financial interests are being represented at the bargaining table.
- Pursue the potential for reducing costs of administering employee benefit programs in the public sector.
- Continue to co-ordinate public-sector collective bargaining.
- Ensure, where applicable, that public-sector employers have pay-equity plans in place and that they are being implemented and maintained in accordance with government's fiscal framework.
- In conjunction with the employers' associations and funding ministries, facilitate implementation of the community social services sector collective agreements with regard to low-wage redress.
- Co-ordinate implementation of employer associations' policies and practices on exempt and executive compensation, monitoring and evaluating implementation to ensure compliance.
- Continue implementation of employment termination standards.
- Continue to improve communications with stakeholders through council meetings and the corporate website.
- Produce mandate framework for the next round of collective agreements that expire after the current mandate is complete.
- Advise stakeholders of trends in public-sector wage settlements.
- Make the collective agreements reporting system database fully operational.
- Through the next phase of the model review, recommend changes to operations and procedures under the existing statute.
- Administer the PSYE program for fiscal 1999/2000 with the target of creating 300 jobs for youth.

Public Service Appeal Board

The Board is responsible for ensuring the principle of merit is upheld in the job competition process within the public service. It hears and rules on appeals from employees who are unsuccessful applicants for public service job competitions. It has the power to direct appointments be rescinded and reconsidered. The Board is comprised of one full-time and four part-time members. Legislation also allows the board to appoint members for the purpose of one or more appeals.

Achievement of Performance Targets for 1998/1999

Target: To rule on appeals from the public service job competitions from employees who are unsuccessful applicants.

Progress:

- The board heard 41 appeals and held seven pre-hearings to resolve administrative issues. This is an increase of 14 hearings and a decrease of 12 pre-hearings over the last fiscal year.

Targets:

- To reduce the appeal processing time while maintaining the overall fairness of established procedures.
- To ensure appellants and human resource advisors are well-informed about the appeal procedure and appreciate the concepts of administrative fairness and natural justice.

Progress:

- The board met quarterly for policy and professional development.
- The Web site was accessed more than 5000 times since its inception in September 1997. Site users include human resources advisors, employees, and union staff representatives. User feedback has been positive and the rate of access has been increasing, as interested parties become aware of the site. See www.psab.gov.bc.ca.
- A total of 117 appeals were filed during the fiscal year 1998-1999 compared to 123 filed during the previous year.
- Thirty-three competitions under appeal were cancelled by ministries; 36 appeals were voluntarily withdrawn and 3 appeal applications were filed beyond the deadline established by the public service appeal regulation.

Performance Targets for 1999/2000

- Rule on appeals from the public service job competitions from employees who are unsuccessful applicants.
- Reduce the appeal processing time while maintaining the overall fairness of its established procedures.

Other Commissions and Agencies Reporting to the Minister

B.C. Securities Commission

This commission is an independent regulatory body responsible for regulating securities trading in the province. Its goal is to maintain a fair and efficient securities market that is worthy of investor and public confidence, and to support a dynamic and competitive securities industry that contributes to provincial economic growth.

For details on the commission's activities during the fiscal year, please refer to its annual report, available on its web site www.bcsc.bc.ca or by calling (604) 899-6500 or writing to 200 - 865 Hornby Street, Vancouver, B.C., V6Z 2H4.

Financial Institutions Commission

This commission regulates the province's financial services sector, including credit unions, trust companies, the insurance and real estate industry and mortgage brokers. It also administers regulations relating to captive insurance companies.

For details on the commission's activities during the fiscal year, please refer to its annual report, available by calling (604) 660-2947 or by writing 1900-1050 West Pender Street, Vancouver, B.C. V6E 3S7.

Public Service Employee Relations Commission

This commission plays a key role in developing a professional and representative public service, by developing hiring policies and finding jobs for employees who have been declared surplus, overseeing employment equity and diversity, providing employee learning and career development courses and workshops, and coordinating employee recognition programs. The commission also represents the government as the employer in negotiating, establishing and administering terms and conditions of employment for public service employees.

For details on the commission's activities during the fiscal year, please refer to its annual report, which is available by calling (250) 387-0464 or writing to: Human Resource Policy, Planning and Workplace Innovation, 548 Michigan Street, Victoria, B.C., V8V 1S3.

Legislation Administered by the Ministry (1998/99)

B.C. Securities Commission

*Securities Act***
*Securities (Forged Transfer) Act***
*Vancouver Stock Exchange Act***

Corporate and Ministry Support Services

Legislative Assembly Management Committee Act

Deputy Minister

Auditor General Act
Capital Region Water Supply and Sooke Hills Protection Act
Ministry of Consumer and Corporate Affairs Act
*Ministry of Intergovernmental Relations Act (s. 3)***
Ministry of Transportation and Highways Act (s. 34)
Premier's Advisory Council for Persons with Disabilities Act

Financial and Corporate Sector Policy Branch

*Creditor Assistance Act***
*Warehouse Lien Act***
*Warehouse Receipt Act***
*Woodworker Lien Act***

Financial Institutions Commission

B.C. Community Financial Service Act
*Condominium Act***
*Credit Union Incorporation Act***
*Financial Institutions Act***
*Insurance Act***
*Insurance (Captive Company) Act***
*Insurance (Marine) Act***
*International Financial Business Act***
*Mortgage Brokers Act***
*Mutual Fire Insurance Companies Act***
*Real Estate Act***

Government Services and Registries

British Columbia Day Act
*Company Act***
*Company Clauses Act***
Constitution Act (ss. 25 – 27)
*Cooperative Association Act***
Douglas Day Act
*Manufactured Home Act***
Ministry of Provincial Secretary and Government Services Act (ss. 1 & 8)
*Miscellaneous Registrations Act***
*Partnership Act***
*Personal Property Security Act***
Provincial Symbols and Honours Act
Purchasing Commission Act
Queen's Printer Act
*Repairers Lien Act***
Scholarship Act
*Society Act***
Statistics Act

Office of the Comptroller General

Financial Administration Act
Financial Information Act
Unclaimed Property Act

Provincial Treasury

Bonding Act
B.C. Enterprise Corporation Loan Privatization Act
B.C. Railway Finance Act
Educational Institutions Capital Finance Act
Financial Administration Act (Part 6)
Home Acquisition Act
Home Conversion and Leasehold Loan Act
Home Mortgage Assistance Program Act
Homeowner Interest Assistance Act
Home Purchase Assistance Act
Hospital District Finance Act
Housing Construction (Elderly Citizens) Act
Pacific North Coast Native Cooperative Act
School District Capital Finance Act
Small Business Development Act
Trade and Convention Centre Act
*Tugboat Worker Lien Act***

Revenue

B.C. Benefits (Income Assistance) Act
(ss. 36 & 50 of regulations)
British Columbia Payment to Canada of Federal Income Tax on Behalf of Natural Gas Producers Act
Corporation Capital Tax Act
Disability Benefits Program Act (s. 35 of regulations)
Esquimalt and Nanaimo Railway Belt Tax Act
Horse Racing Tax Act
Hotel Room Tax Act
Income Tax Act
Indian Self Government Enabling Act
Insurance Premium Tax Act
International Financial Business (Tax Refund) Act
Land Tax Deferment Act
Logging Tax Act
Mining Tax Act
Motor Fuel Tax Act
Property Transfer Tax Act
School Act (section 134 and division 4)
Social Service Tax Act
Taxation (Rural Area) Act
Tobacco Tax Act

Public Service Employee Relations Commission

Public Service Act
Public Service Labour Relations Act
Public Service Bonding Act
Public Service Benefit Plan Act

Public Service Employers' Council

Public Sector Employers' Act
Public Education Labour Relations Act

Superannuation Commission

Legislative Assembly Allowances and Pension Act
Pension (College) Act
Pension (Municipal) Act
Pension (Public Service) Act
Pension (Teachers) Act

Treasury Board Staff

Budget Measures Implementation Act
Medical and Health Care Services Special Account Act
Pension Agreement Act
Public Works Agreement Act
Special Accounts Appropriation and Control
Special Appropriations Act
Supply Act
Tax and Consumer Rate Freeze Act

** *Financial and Corporate Sector Policy is responsible for these statutes*

Ministry Publications

Most Ministry of Finance and Corporate Relations publications may be ordered from the government publications centre at 1-800-663-6105 (in Victoria 387-6409) or at www.publications.gov.bc.ca on the Internet.
Some ministry publications may be ordered from:
Crown Publications
521 Fort Street,
Victoria, British Columbia
V8W 1E7
Telephone: (250) 386-4636
Fax: (250) 386-0221
www.crownpub.bc.ca on the Internet
Many ministry publications may be viewed online at www.fin.gov.bc.ca.

Treasury Board Staff

To order call (250) 386-4636)

British Columbia Macroeconomic Model
99/00 Second Quarterly Report
99/00 First Quarterly Report
98/99 Third Quarterly Report
98/99 Second Quarterly Report
98/99 First Quarterly Report
1999 Provincial Budget
1998 Provincial Budget
British Columbia Economic Review and Outlook - September 1999
British Columbia Economic Review and Outlook - March 1999
British Columbia Economic Review and Outlook - September 1998
British Columbia Financial and Economic Review 1999 ($25)
Estimates
Supplement to the Estimates
99/00 First Quarterly Report
98/99 Third Quarterly Report
98/99 Second Quarterly Report
98/99 First Quarterly Report
97/98 Third Quarterly Report
97/98 Second Quarterly Report
1999 Provincial Budget
1998 Provincial Budget
British Columbia Economic Review and Outlook - September 1999 British Columbia Economic Review and Outlook - March 1999
British Columbia Economic Review and Outlook - September 1998
British Columbia Financial and Economic Review 1998
Estimates
Supplement to the Estimates

Office of the Comptroller General

British Columbia Public Accounts 1998 - 1999 -
Vol. 1 - Public Accounts Annual Report
Vol. 2 - Financial Statements and Schedules of the Consolidated Revenue Fund
British Columbia Public Accounts 1997 - 1998 -
Vol. 1 - Public Accounts Annual Report
Vol. 2 - Financial Statements and Schedules of the Consolidated Revenue Fund
1999 Interim Financial Statements
Accessing Financial Information about Public Sector Organizations (brochure)
Policy and Procedures Manuals

Provincial Treasury

Form 18-K filed with the Securities and Exchange Commission 1997/98
Debt Statistics 1998/99
Debt Statistics 1997/98
British Columbia Prospectus
Treasury Management (brochure)
Performance Bonds (brochure)
B.C. Savings Bonds

Revenue

B.C. Sales Taxes: What Visitors Should Know (brochure)
Consumer Tax Branch bulletins (112 different branch bulletins available to taxpayers)
Property Tax Deferment Program (brochure)
Payment of Rural Property Taxes at Financial Institutions Seniors Supplement (brochure)
Your Responsibilities as a Vendor or Lessor (brochure)
Your 1998 Rural Property Taxes (brochure)
Your 1998 Home Owner Grant (brochure)
Guide to Property Purchase Tax (brochure)
The Property Tax Deferment Program (brochure)
Your 1999 Home Owner Grant (brochure)
Your 1999 Rural Property Taxes (brochure)
Paying Your Rural Property Tax at a Financial Institution (brochure)
Seniors Supplement (brochure)
Registries and Ministry Support Services
Incorporating a Company in B.C.
Registration and Search Guide for Registrants Pursuant to the Personal Property Security Act
Registering Your Business
Incorporating and Maintaining a Society in B.C.
Financial and Corporate Sector Policy
Strata Property Act Regulations: Discussion Draft
The Strata Property Act: Overview Sept. 1998
Bill 47 Strata Property Act
Discussion Draft Company Act 1998
Guide to the Draft Company Act 1998
Business Names Discussion Paper February 1998
Shareholder Proposals in the British Columbia Company Act June 1997
Strengthening Securities Regulation in British Columbia: Response to the Matkin Commission Report
Communications Branch
Ministry of Finance and Corporate Relations Annual Report
Budget Information Kit
Business Task Force Reports

B.C. STATS

B.C. Stats has myriad publications.

Financial Institutions Commission

Financial Institutions Commission Annual Report (includes audited financial statements of the Credit Union Deposit Insurance Corporation of British Columbia)
Peace of Mind Through Security – Your Guide to B.C. Credit Union Deposit Insurance

Other government publications are available from the government publications centre. To order call: in Victoria (250) 387-6409, or toll-free from elsewhere in B.C. 1-800-663-6105.